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PRECONTRACT APPROVAL RECORD

(PART TWO)

LOCKHEED AIRCRAFT CORPORATION

The services and equipment being procured by this Contract No. SP-1928 Amendment No. 2 are in furtherance of the IDEALIST Program(s), the nature of which cannot be publicly disclosed for security reasons. The Contracting Officer therefore determines that this procurement must be accomplished by negotiations pursuant to the authority of Section 3(a) of PL 81-110 and Class Determination and Finding, OXC 2122, signed by the DDCI on 15 October 1961.

Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 8(b) of Public Law 110, 81st Congress (formerly 10(b) - see 85-507 dated 7/7/58) for each contract.

The following comments describe the procurement hereby effected, the terms and provisions generally of this contract/amendment, and a resume of major issues negotiated:

Contract No. SP-1928 covers conversion of 7 FOG U-2 aircraft to "C" models. In addition, four sets of conversion parts including sheet metal, machine and purchased parts and equipment.

Amendment No. 2 provides for a decrease in funding to the final contract price as proposed by the Contractor in his letter of 12 Dec. 1967. Also a decrease in the interim billing price for Vehicle No. 347.

An audit request was initiated on 4 Jan. 1968. The Depot and Contractor are working on accountability of tooling, GFP, residual property etc.